



PSC NEWS

Missouri Public Service Commission

Contact: Kevin Kelly

Phone: (573) 751-9300

Governor Office Building, Suite 900

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PSC STAFF FILES TESTIMONY IN AMERENUE COMPLAINT CASE

Jefferson City (March 5, 2002)---The Staff of the Missouri Public Service Commission has filed testimony in an AmerenUE complaint case brought by the Staff against the state's largest electric utility. This testimony updates the Staff's original case which was filed on July 2, 2001. The recently filed testimony reflects a later test year and update period in the case.

The PSC Staff first filed testimony in support of an electric rate reduction on July 2, 2001. The complaint case previously filed sought to reduce AmerenUE's electric revenues in the range of \$213 to \$250 million a year. Updated testimony filed by the PSC Staff supports the recommended range that was first filed in July.

For a typical residential customer, the PSC Staff is seeking to reduce monthly electric rates by approximately \$7.71 or by approximately 11 percent.

It is important to note that the Missouri Public Service Commission will ultimately decide whether any change in current rates should occur. That decision will only come after the Commission conducts extensive hearings.

The PSC Staff states the principal issues that comprise its request to reduce the electric rates for AmerenUE include: the return on common equity (return to shareholders for their investment in the Company), depreciation rates, other postretirement employee benefits and pensions, revenues/customer growth and jurisdictional allocation factors.

From mid-1995 to June 30, 2001, AmerenUE operated under two three-year experimental alternative rate regulation plans. Under the plans, customers benefited by sharing in company earnings when those earnings reached a certain level. The final year of the second experimental alternative rate regulation plan expired on June 30, 2001. Since July 1, 2001, AmerenUE has been under traditional rate of return regulation.

AmerenUE serves approximately 1.1 million electric customers in Missouri.